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19 May 1977

MEMORANDUM FOR: Deputy Director for Administration

SUBJECT : Contract Employees

Jack -

1. Please see the DCI's note on your 11 May memorandum and his request that you check with Tony Lapham on the two items which appeared to him as evasion of the rules. I would think that we can satisfy his concern on these two matters without too much difficulty.

2. His note at the bottom of the 6 April T-Gram which kicked off this matter is a bit more of a problem. Would you be good enough to give me a call after you have read this so that we could discuss it.



A/DDCI

Attachment:
As stated

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25X

25X

UNCLASSIFIED

INTERNAL
USE ONLY

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SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:

Director of Personnel

EXTENSION

NO.

DATE

11 MAY 1977

25

TO: (Officer designation, room number, and building)

DATE

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Deputy Director for
Administration
7 D 26 Headquarters

12 MAY 1977

2.

3. Deputy Director of
Central Intelligence
7 E 12 Headquarters13
may
77

4.

5. Director of Central
Intelligence
7 E 12 Headquarters

18 MAY 1977

6.

7.

8.

9.

10.

11.

12.

13.

14.

15.

To DCI:

I think the main point in response to your query is that the Agency has found it advantageous in many cases to use employees under contract rather than staff status. The contract option gives us flexibility in that we avoid conferring staff status on various categories of employees described on page two of the 12 May memo.

25X1

A/DDCI

10:50 Admiral Turner's notes enclosed

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DDA Registry

11 MAY 1977 77-2697

Executive Registry

77-976/3

MEMORANDUM FOR: Director of Central Intelligence

VIA : Deputy Director of Central Intelligence
Deputy Director for AdministrationFROM : F. W. M. Janney
Director of Personnel

SUBJECT : Contract Employees

REFERENCES : (a) Memorandum, dated 6 April 1977, from the DCI to the DDA, Subject: Contractors (with explanatory comments provided by)

(b) Memorandum, dated 15 April 1977, from Director of Personnel to DCI, Subject: Contract Employees, Independent Contractors and Consultants

(c) Explanatory Comments, dated 25 April 1977, from SA/DCI to Director of Personnel

1. Action Requested: None; for information only. This memorandum submits additional information on the Agency's utilization of contract employees.

2. Background:

a. We understand that the Director has asked the question whether there are contract employees doing the kind of work that staff employees do. The answer is "yes." To explain why certain of our employees are contract rather than staff, the following background information is provided:

(1) On 1 July 1975, the Agency implemented the single personnel ceiling. Prior to that time the Agency operated under two OMB personnel ceilings - one for staff employees and one for contract employees.

(2) With the adoption of the single personnel ceiling, senior managers were given the option of using the total ceiling by hiring employees either as staff or contract or both. Included was the option of which contract employees or groups of contract employees would be converted to staff employees.

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